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C O N F I D E N T I A L NASSAU 000332

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DEPT FOR WHA/CAR, INL/LP L/OES AND EB

E.O. 12958: DECL: 03/08/2017

TAGS: BF ECON KJUS KNNP MARR PREL

SUBJECT: AMBASSADOR AND ATTORNEY GENERAL DISCUSS PSI,
AUTEC, PENDING U.S. TAX LEGISLATION

REF: NASSAU 0032

Classified By: DCM D. Brent Hardt. Reasons: 1.4 (b) and (d).

¶1. (C) Summary: Ambassador Rood and Attorney General Allyson Maynard-Gibson discussed the status of ongoing joint criminal investigations, extraditions, and other law enforcement issues under the AG's jurisdiction. The Attorney General provided her reaction to elements of the just released human rights report critical of the Bahamian judicial system for lengthy pre-trial delays. From that defensive beginning, the meeting covered the U.S. request to add an additional area to our Navy undersea testing range leased from the government and recently introduced tax legislation, and the Proliferation Security Initiative. The Ambassador noted the arrival of the Embassy's new FBI Assistant Legal Attaché, and expressed his hope for closer coordination of ongoing investigations. The Ambassador and AG agreed that monthly meetings between her office and the Embassy should be held on the last Friday of each month with Director of Public Prosecutions Bernard Turner to review ongoing cases and ensure adequate coordination. End Summary.

Human Rights Report

¶2. (C) The meeting began with the sometimes prickly Attorney General responding formally to the just released U.S. Human Rights Report. She flatly denying that there were any human rights abuses at the prison, despite the well-documented and widely recognized poor conditions that exist there. Given this clear, documented record on the issue, the Ambassador chose to simply point the Attorney General to the specifics detailed in the report and move onto other areas of discussion.

Proliferation Security Initiative

¶3. (C) From his meeting the previous day with Foreign Minister Fred Mitchell, the Ambassador understood that the Attorney General's office had drafted a lengthy memo outlining the reasons why The Bahamas did not need to conclude a Proliferation Security Agreement (PSI). According to the FM, the AG's office argued that all the legal authorities envisioned in a PSI were already available through the existing Comprehensive Maritime Agreement between our countries. The Ambassador requested a copy of the memo, and the Attorney General said that attorneys from both sides could discuss the issue.

AUTEC

14. (C) The Ambassador raised the issue of the U.S. request to install new hydrophones at the Atlantic Undersea Testing and Evaluation Center (AUTEC) in the Tongue of the Ocean between New Providence and Andros Islands. He noted that the Foreign Minister had indicated his support for the request. The AG, however, raised the issue of an increase in U.S. payments if the concessions were to be granted to install the new equipment. The Ambassador flatly stated that the lease was firm and that the payments would not change. He further emphasized that the hydrophones would reduce hazards to navigation by eliminating the need for the ship and temporarily installed hydrophones that currently perform the same function. Finally, he stressed that AUTEC was an outstanding corporate citizen on Andros that provides employment to over 200 Bahamians. Its presence there was a win-win situation for the community and the U.S. Navy, he added.

Pending Tax Legislation

15. (C) The AG raised the issue of a bill recently introduced by Senators Levin, Obama, and Coleman regarding tax havens. [Note: Senator Dorgan has also introduced legislation about tax havens which includes The Bahamas.] The Government of the Bahamas is deeply troubled that it has been included in the scope of this legislation, especially since it has a Tax Information Exchange Agreement with the United States. The Attorney General is preparing a letter on this issue which she will forward to the Embassy when it is ready. The Ambassador promised to look into the matter.

Electronic Monitoring

16. (C) The Ambassador took the opportunity to express his support for an amendment to the Bail Act now before the Parliament that would permit the use of electronic monitoring bracelets by law enforcement. (Comment: A high volume of crime in The Bahamas is committed by individuals out on bail awaiting trial. End Comment.) The U.S. company that produces the bracelets had previously contacted the Embassy and briefed us on the program. The AG said that the GCOB supported the use of the bracelets and urged the company to contact the AG's office to follow up on the matter.

Enhancing Law Enforcement Cooperation

17. (C) Both the Ambassador and the Attorney General stressed the importance of close and open communication on law enforcement issues. The AG said she looked forward to working with the new FBI Assistant Legal Attaché and the Ambassador promised to bring him over for an introductory call. The AG also expressed interest in a renewed dialogue on asset forfeiture. There is no agreement currently in place, but The Bahamas has expressed interest in concluding such an agreement. The AG and Ambassador agreed that meetings should be held on the last Friday of each month among U.S. law enforcement and the Director of Public Prosecutions Bernard Turner to discuss ongoing cases. The AG also suggested that a task force be created to discuss formalizing procedures for joint investigations. (Comment: This proposal likely stems from the political fallout within the Bahamas of the December 2006 Nassau Flight Services arrests (reftel). End Comment.) The Ambassador agreed to explore the merits of such a task force.

18. (C) Comment: The release of the Human Rights Report, which garnered extensive Bahamian media coverage, led to a surprisingly tense meeting between the sometimes prickly AG and the Ambassador. Nevertheless, her support for a monthly meeting and her proposal to create a task force to address issues arising from joint investigations reflect her commitment to close law enforcement cooperation with the U.S. With elections looming, the AG and other members of the government are sensitive to negative publicity that joint investigations can sometimes generate. (Some more cynical Bahamian observers would argue that the government is also wary of antagonizing certain individuals who may be the subject of investigations, who are known to contribute to political campaign coffers.) The tax haven bills pending in the U.S. Congress could become a major bilateral issue, given that the financial services

sector is the second largest contributor to the Bahamian economy. Even before the Attorney General raised the issue, the Bahamas Financial Services Board had contacted the Embassy on the matter. The Bahamas already believes it was unfairly treated by the international community in the FATF review process, and this legislation could deepen the perception that The Bahamas is being unfairly treated -- especially in light of the fact that they have signed a Tax Information Exchange Agreement with the U.S.

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